

Issue # 3

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The Monthly Minute

With State Senator John Pappageorge

P.O. Box 30036 Lansing, MI 48909 Toll Free 1-877-SEN13th (736-1384)
www.senate.mi.gov/pappageorge



Pappageorge & Senate Republican Colleagues Provide Leadership on Budget Deficit

Dear Friend:

Over the course of the past few months, you have heard on numerous occasions that I will not balance the current budget on the backs of taxpayers and already struggling businesses. After countless meetings and much deliberation, my republican colleagues and I in the Senate have put forth a sound plan to move Michigan forward.

We voted down the governor's \$1.5 billion tax on services and passed \$600 million in funding cuts. Along with the Executive Order, which incorporated over \$300 million in reductions, the Senate Republican's plan will restore balance to the Michigan budget. Specifically, the plan:

- Reduces the size of state government, starting with a 4-percent cut to the Michigan Legislature's budget, as well as a 4-percent reduction to most state departments
- Restores the funds necessary to prevent state police trooper lay-offs, and doesn't advocate additional prison closures or the release of more than 5,000 convicted felons
- Keeps education a top priority. Senate Republicans worked directly with school officials to preserve the School Aid Fund and recommended a modest per pupil decrease of \$34 – less than half of one percent of the total foundation allowance, while maintaining funding for essential services such as assistance for schools with declining enrollment, programs for at-risk students, and adult education. Even with this small reduction, schools will still be getting \$176 more per student than last year.
- Refuses to ask Michigan businesses and families to carry the burden of the governor's proposed \$1.5 billion tax increase to solve a \$942 million budget deficit

The Senate's plan is now before the House of Representatives for deliberation. Negotiations are still taking place between the governor and the leadership of the House and Senate. You may have heard the governor threatened a government shutdown recently, claiming that the state will not be able to pay its bills after May 20th. This is simply not the case. I can only assume she is using this as a scare tactic to induce lawmakers into drastic measures, such as raising taxes.

The state treasurer has a number of options to remedy the cash flow problem. Included among them is short-term borrowing from other restricted state funds. This has been done in the past and is a viable option. Senate Republicans will do everything possible to ensure that the government will not be shut down.

In addition to passing legislation that balances the budget without new taxes, I am actively seeking other measures to address the structural problems our state faces. We must change the way we do business in Michigan to once again make it friendly to venture capital, entrepreneurs and job creators. Our oppressive rules and regulations that cause small business owners to wait months for a building permit, and larger businesses to have to wait a year or more before they can put a shovel in the ground for a new building have to be changed drastically. These are the changes that will bring business to our state and halt declining state revenue.

Sincerely,
John Pappageorge

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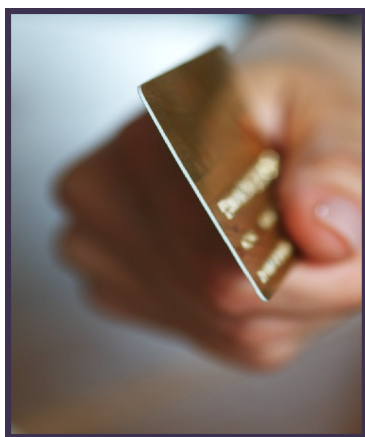
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Pappageorge Co-Sponsors Consumer Protection Legislation

The Senate Banking and Financial Institutions Committee passed bipartisan legislation which will allow individuals to place a security freeze on credit reports. A security freeze would prohibit consumer reporting agencies from releasing an individual's credit report without express consent. Consumers could place a security



freeze on their credit report by making a written request to all three of the major reporting agencies. "This legislation will provide a means for Michigan residents to protect themselves against identity theft" said Senator John Pappageorge, a co-sponsor of the bill. "Once a freeze is in place, no one can apply for new credit under the consumer's name." The consumer may temporarily lift a freeze on his or her file to allow the credit to be checked by using a personal identification number. Agencies must lift a credit freeze within 15 minutes of a request. The Senate measure also allows:

- Security freezes to be placed on only credit reports, not consumer reports, for one-year. Within that period, con-

sumers may extend the freeze for an additional year for free.

- Consumer reporting agencies to charge a reasonable fee, not to exceed \$10, when a consumer requests a security freeze.
- More consumers to place a freeze because it is not limited to identify theft victims.

"Identity theft poses a real threat to consumers. This legislation will go far in protecting people from this crime," said Pappageorge. This legislation is now before the full Senate awaiting a vote.

Pappageorge Bill Safeguards Homeowners from Mortgage Fraud

Legislation to protect Michigan homeowners from mortgage fraud was recently introduced in the Michigan Senate. Senate Bill 343, sponsored by Senator John Pappageorge, would prohibit financial institutions, mortgage brokers and lenders from inducing appraisers to inflate the value of real property being used as collateral for a second mortgage. This coercion is done by implying that the appraiser would not be selected or used in the future unless they agree in advance to a certain value. "Mortgage fraud is a serious problem that affects homeowners across the state" Pappageorge said. "We must do something to help stave off future fraud and punish those that com-

mit it." Another bill in the package, SB 342, would prevent appraisers from conducting an appraisal if a requirement for getting the job is an expected outcome, or it is implied that their payment is based upon a desired minimum appraised value. According to the FBI, mortgage fraud loss in Michigan skyrocketed from \$9 million in 2003 to \$26 million in 2005. If signed into law, violators under both bills would be guilty of a misdemeanor punishable by a maximum fine of \$5,000 or up to three years in prison.



Senate Bills 342 and 343 will prohibit financial institutions, mortgage brokers and lenders from inducing appraisers to inflate the value of real property being used as collateral for a second mortgage.

Pappageorge Supports Bill Requiring Background Checks for Foster Parents

Legislation that would help protect foster children from sex offenders has passed the Senate. Senator John Pappageorge voted in support of this legislation. Senate Bill 271 would require criminal history and record checks of all current licensees, all individuals seeking a license and those seeking a renewal license for a foster family or

foster family group home.

The measure would also:

- Prevent licensure for those with sex crime convictions;
- Require that the Department of Human Services perform a criminal background check on all persons over the age of 18 residing in the foster family or

foster family group home; and

- Require all licensees to report arraignments for any felony and certain misdemeanor crimes.



Legislation Protecting Social Security Numbers Co-Sponsored by Pappageorge

Legislation to protect Michigan residents from the possible theft of their Social Security number has been introduced in the state Senate. Co-sponsored by Senator John Pappageorge, Senate Bill 298 would amend current law to allow a register of deeds to remove or obscure all or at least five digits of a Social Security number on a copy provided to another individual. Under the Michigan Social Security Number Privacy Act a register of deeds must obscure or remove the SSN from documents by July 1, unless pro-

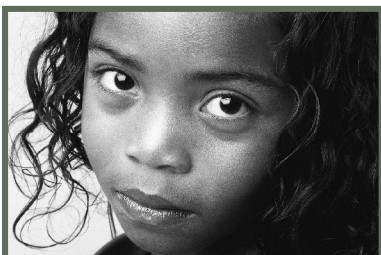


hibited by law, regulation, court order or rule. Unfortunately, the law did not amend certain recording statutes. In seeking legal

counsel, the Register of Deeds Association found a split legal decision regarding its role in the removal of SSN from documents filed with its office. If signed into law Senate Bills 298 through 303 would clarify its obligation. Other bills in the package would allow the register of deeds offices to remove or obscure all or more than four numbers of the SSN that might appear on real estate titles and documents such as recording of deeds, mortgages and instruments of record.

Senate Passes Child Protection Legislation

The Senate recently passed legislation that will amend the Child Protection Law to establish certain protocol for high-risk investigations involving children who have allegedly been abused or ne-



glected. Senate Bill 273, which was supported by Senator John Pappageorge, clarifies that the Department of Human Services must notify both the prosecuting attorney and local law enforcement within 24 hours when an allegation is received about a risky situation. The following conditions would require a high risk investigation:

- Abuse or neglect is the suspected cause of a child's death.

- A child is the victim of suspected sexual abuse or sexual exploitation.
- Abuse or neglect resulting in severe physical injury to a child.

This legislation currently resides in the House Families and Children's Services Committee.

Important April Dates

National Volunteer Week-April 15-21

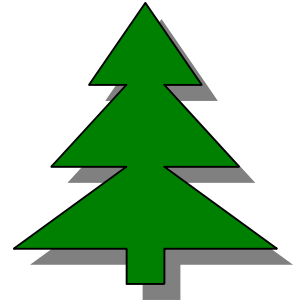
- Spend time volunteering at a local agency, such as Meals on Wheels, Red Cross, a church group or your local community center

Earth Day– April 22

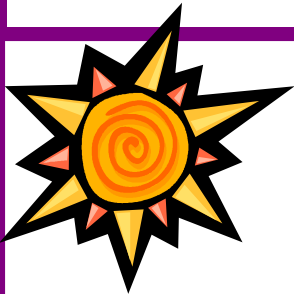
- Participate in a community clean-up activity
- Plant a tree

Senator Pappageorge's District Office Hours-April 28th

- 9:30-11:30 @ Troy Community Center (3179 Livernois • Troy)
- 12:30-2:30 @ Baldwin Public Library (300 W. Merrill • Birmingham)
- 3:00-5:00 @ Royal Oak Public Library (222 E. 11 Mile • Royal Oak)
- *Stop by any of the above locations for conversation & legislative updates. No appointment necessary!*



Planning a Summer Vacation?



My office has received a number of copies of the *Michigan Travel Ideas: State Travel Guide* magazine. This is an excellent resource for great places to travel in Michigan. Whether you are looking to golf, view historical sites or lay out on the beach, this guide will send you in the right direction. Contact my office at the information below to request your free copy.

Questions or Comments?

If you have any questions or comments regarding information in this newsletter, or wish to be removed from or added to the mailing list, please contact my office at the following information:

State Senator John Pappageorge

P.O. Box 30036

Lansing, MI 48909

517-373-2523 517-373-5669 (fax)

1-877-SEN-13TH (736-1384) toll-free

www.senate.mi.gov/pappageorge

